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USDOC FOR 532/OEA/M.HAMES/L.RITTER
USDOC FOR 3150/USFCS/OIO/CEENIS/MCOSTA
USDOC FOR 532/OEE/MO'BRIEN
USDOC FOR 532/BIS/OEA/TWILLIS/EHOLLAND/ANALYST
KYIV FOR FCS

E.O. 12958: N/A

TAGS: [BEXP](#) [ETRD](#) [ETTC](#) [RS](#)

SUBJECT: EXTRANCHECK: POST-SHIPMENT VERIFICATION: SCIENTIFIC AND
INDUSTRIAL CONCERN (SIIC) NAUKA, KIEV, UKRAINE, LICENSE NO. D384296

REFTEL: USDOC 0116

1. Unauthorized disclosure of the information provided below is prohibited by Section 12C of the Export Administration Act.

2. Reftel requested a Post-shipment verification to determine the legitimacy and reliability of the end-user, Scientific and Industrial Concern (SIIC) Nauka, Kiev, Ukraine. The company is listed on BIS license application D384296 as the ultimate consignee of a low pressure thin film deposition system, model MOCVD D-180 LDM. These items are controlled for national security reasons under ECCN 3B001.A.2. The licensee is SVT Associates Inc., 7620 Executive Drive, Eden Prairie, MN 55344.

3. On January 29, 2009, Export Control Attach Peter Liston and LES Olena Stepanska conducted the requested post-shipment verification with the Scientific and Industrial Concern (SIIC) Nauka, Kiev, Ukraine. The export control team met with Sergey Yurievich Larkin, General Manager, at the Ministry of Science and Education, Kiev, Ukraine.

4. The Scientific and Industrial Concern (SIIC) Nauka (Nauka) is a government funded research facility involved in the development of commercial applications of solid-body electronics. Nauka cooperates with foreign entities in joint enterprises in many of their research and development projects. Nauka is involved with projects with Germany, Russia, Turkey and the United States. Nauka was founded in part by the Ukraine Scientific Research Center QFornonQ; the National Scientific Center QKharkov Physical-Technical InstituteQ; Scientific & Production Enterprise QSaturnQ; Scientific Research Company QKaratQ; Radio Astronomical Institute, National Academy of Sciences; and the scientific technological concern QInstitute of MonocrystalsQ, National Academy of Science.

5. Sergey Yurievich Larkin advised the export control team that the commodity in reftel was purchased in 2007 and is being used at the Karat facility for arsenide and phosphide semiconductor research. Larkin stated that he expects production to start at the end of this year. The Karat plant is located approximately 7 hours outside of Kiev. Sergey Yurievich Larkin stated that Nauka has also purchased two additional units from the reftel exporter SVT Associates, which are awaiting customs clearance in Kiev. Sergey Yurievich Larkin gave the export control team a series of photos showing the reftel commodity installed and operating at the Karat facility. Larkin stated that the Karat facility is a former military complex with limited access.

6. Although the export control team was not able to personally inspect the reftel commodity, it does appear that it is being used for the purpose for which it was licensed. The company had ordered

two additional units. There are no indications of impropriety with Nauka and the Larkin's answers to the export control team were not evasive.

17. Recommendations: Post recommends Scientific and Industrial Concern (SIIC) Nauka, Kiev, Ukraine as a reliable recipient of sensitive U.S. origin commodities.
(FCS MOSCOW/JMARKS/PLISTON)
BEYRLE